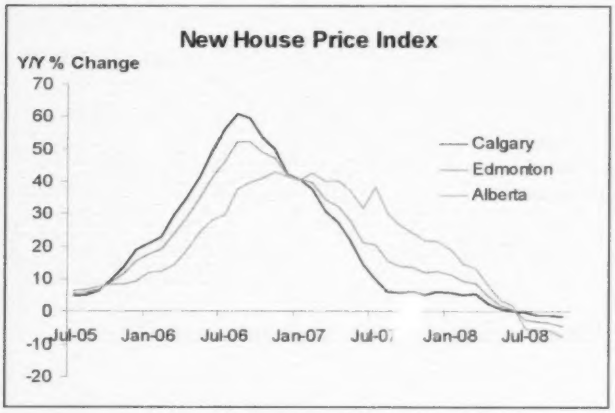
Housing Starts

Housing starts plunged in November…

In November, Alberta housing starts declined 17.4% from October to an annualized rate of 20,400. Year-to-date, housing starts are down 37.6% in Alberta, 56.0% in Edmonton, and 14.5% in Calgary. Nationally, housing starts plunged to 172,000 units, down 18.8% from 211,800 units in October. Manitoba, Saskatchewan, and PEI registered increases, while most other regions recorded significant declines.



New House Prices

Alberta's new house prices weakened…

New house prices in Alberta declined 1.1% in October from September. Although Alberta's new house prices are up 2.0% year-to-date, they have begun to show signs of weakness with year-over-year declines for the past four months. Edmonton registered its shartpest year-over-year decline in October at 7.7%, while Calgary saw prices fall 1.6%. Nationally, new house prices fell 0.4% from a month earlier, but are still up 4.0% year-to-date.

New Motor Vehicle Sales

Vehicle sales inched down in October...

After a surprise jump in September, new motor vehicle sales in Alberta declined 0.6% in October. Year-to-date, new motor vehicle sales in the province are now down 5.3%. Nationally, motor vehicle sales were down 0.9% from the month before, but are up 1.5% year-to-date.

Canadian Dollar (US¢/CS)

December 12, 2008	80.31
December 5, 2008	77.11
2008-09 YTD	93.34

WTI Oil US$/bbl

December 11, 2008	$ 47.98
December 4, 2008	$ 43.67
2008-09 YTD	$ 104.75

Nymex Natural Gas CS/MMBtu *

December Contract

December 12, 2008	$ 6.76
December 5, 2008	$ 7.24

*Estimate based on Nymex Futures Market Price

Farm Product Price Index

Farm prices fell in September…

In September, the prices received by Alberta farmers fell by 6.7% from a month earlier: crop prices (-13.2%), cattle prices (-3.8%), and hog prices (-11.0%). Year-to-date, crop prices are up 40.8%, while livestock prices are down 2.6%.

Merchandise Trade Surplus

Alberta's exports remained strong in October...

In October, Alberta's international exports increased 46.5% year-over-year, largely the result of a weaker Canadian dollar. Nationally, Canada's trade surplus narrowed to $3.8 billion from $4.3 billion in September. In the US, the trade deficit widened unexpectedly to US$57.2 billion. US exports fell as a result of poor global economic conditions and a strong US dollar.

In November, China's trade surplus soarded to US$40.09 billion despite a 2.2% decline in exports. This is the first monthly decline in China's exports in seven years.

Monetary Policy

Bank of Canada slashed rates by 75bp...

Admitting that Canada is now entering a recession, the Bank of Canada cut its key interest rate by 75 basis points to 1.5%, its lowest level in 50 years. Central banks in Switzerland (-50bp), Korea (-100bp), Taiwan (-75bp), and South Africa (-50bp) also cut interest rates this week.